

From: "Higgins" <higgins5@home.com>
To: <mmalone@mail.state.tn.us>, <skule@mail.state.tn.u...>
Date: 7/9/00 3:29pm
Subject: Lynnwood Utility rate increase review

99-00507
7/17/00

Dear Madame or Sirs:

As a resident of Cottonwood Subdivision in Williamson County, I am most concerned about the current rate for our sewer services.

With the recent rate increase, my bill increased from \$14.25 per month to \$61.16 (an increase of 429%) the first month, and to \$45.56 (an increase of 319%) the second month. This is unreasonable, to say the least. It is approximately 70% higher than other area sewer rates.

I now pay more for sewage than I do for water. Some of the water I use never even enters the sewage system since it is used to water my lawn.

Lynnwood Utility advised us to add a faucet specifically for lawn irrigation. Upon investigation, I discovered that option would cost between \$1500 and \$3200. Hardly a viable option.

The owners of Lynnwood Utility, who consequently are area land developers, have not been forthcoming with the Cottonwood Homeowners' Association, the regulatory boards and county commissions on a number of issues, including the sewer rates. According to articles in the REVIEW -APPEAL, several reports and deadlines have been missed. Lynnwood grossly understated the revenue projections to the TRA.

I believe the previous and current owners of Lynnwood Utility have only their best interest and wallets in mind, and have told all of us what we want to hear so they could get what they wanted. And what they wanted is costing us in Cottonwood a fortune!

I ask, along with my neighbors, that the rate increase be reviewed and reduced to a reasonable rate.

Thank you for your time and consideration.

Sincerely,

Susan Stark
190 Riverwood Drive
Franklin, TN 37069
791-8900

From: <RCooper651@aol.com>
To: <mmalone@mail.state.tn.us>
Date: 7/9/00 10:07pm
Subject: Lynnwood Utility

Mr. Malone,

I apologize for the informality of this correspondence. I am trying to tie up some loose ends while my husband is in Baptist Hospital awaiting a triple bypass surgery tomorrow morning. With wait awaits us in the morning you must be able to see that this matter with Lynnwood is very important to us for me to be taking the time to write you tonight.

We have lived in the Cottonwood subdivision since October of 1994. As you are already aware the price for our sewer services has jumped tremendously. I am not able to think very clearly at this point in time to go over all of the issues such as Lynnwood's owners misleading and misrepresenting their plans to the CHOA Board of Directors. But Mr. Malone I do not think that it is fair for us to have to pay the prices we are having to pay for this service. Our sewer bill is now more than our water bill. We have a swimming pool in our backyard and when I have to add water to it I am paying for double water because I am charged for sewer service on that water that never sees the sewer. The same goes with watering our landscape. There has to be a better way to charge for this service.

I hope you will consider all of the facts that others have brought to your attention and understand my attempts of communication our concerns. Thank you for your time in this matter.

Roberta Cooper
145 Riverwood Dr.
Franklin, TN 37069

CC: <skyle@mail.state.tn.us> , <lgreer@mail.state.tn.us...

From: "Hamburg" <gandphamburg@home.com>
To: "Marsha Blackburn" <sen.marsha.blackburn@legislatu...>
Date: 7/10/00 6:43am
Subject: Lynwood Utility Rape Increase

As a user of this sewage system, I want to express my extreme concern of the fairness of the recent rate increase.

I have lived in Cottonwood for 22 years and have never felt I have gotten the shaft like this before. It seems very obvious to me that we are being asked to fund the upgrade and expansion to allow more users. It would seem to me that the new owners, who bought it to be able to develop new properties, should pay the upgrade!

I now understand that our rates are 70% higher than those around us. How can you allow us to go from a well working fair system to such an unfair system?

I hope when you take action tomorrow on the Petition for Reconsideration you will do the right thing and put the burden of finance where it belongs...with Mr. Terry and Smith, Crowe, Wilson, LLC.

Sincerely,

Gary N. Hamburg
166 Riverwood Dr.
Franklin, TN 37069

From: "Lorens" <llorens@home.com>
To: <mmalone@mail.state.tn.us>
Date: 7/8/00 12:21am
Subject: TRA-Lynwood Utility Rate Increase

Dear Mr. Malone,

I am writing this brief memo to express my concern over the extremely excessive rate 300-400% rate increase of Lynwood Utility. I am sure my concern is shared by the several hundred fellow Cottonwood residents. We have been residents in Cottonwood since 3/95 and fully understand that customary rate increases must be made to offset the rising cost of operations/maintenance. However, the actions of Lynwood Utility (Dave Terry) warrant further investigation and review by you and your colleagues at TRA. To pay 70% higher for sewer service as compared to other sewer services in our area definitely seems out of line.

We appreciate your consideration and attention to this matter.

Sincerely,

Stephen E. Llorens
Cottonwood Resident

CC: <skyle@mail.state.tn.us>, <lgreer@mail.state.tn.us...

From: <CCampbellps@aol.com>
To: <mmalone@mail.state.tn.us>
Date: 7/8/00 9:12am
Subject: LYNNWOOD UTILITY

PLEASE RECONSIDER YOUR PRIOR APPROVAL OF THE RATE INCREASE FOR LYNNWOOD UTILITY . CURRENTLY I AM SERVING AS PRESIDENT TO COTTONWOOD HOMEOWNERS ASSOCIATION. FOR THE PAST FOUR YEARS I HAVE BEEN INVOLVED WITH THE VARIOUS DEVELOPERS AND OWNERS OF LYNNWOOD UTILITY AND THE SURROUNDING DEVELOPMENTS. WE AS A BOARD HAVE TRIED TO WORK WITH ALL PARTIES INVOLVED ON A FAIR AND IMPARTIAL BASIS. WE FULLY EXPECTED OUR RATES TO INCREASE. HOWEVER , TO GO FROM PAYING \$14.25 PER MONTH TO OVER \$70 IS EXTREME . OUR SEWER BILL IS NOW HIGHER THAN OUR WATER BILL. PLEASE CONSIDER EITHER LOWERING THE RATE OR PERHAPS USING THE WINTER MONTHS AVERAGE USAGE AS A BASE FOR THE MONTHLY CHARGE. THANK YOU FOR TAKING THE TIME TO READ THIS AND FOR SERVING ON THIS REGULATORY AGENCY.

BARRY CAMPBELL
1505 COUNTRY CLUB COURT
FRANKLIN TN 37069
615-794-4944

CC: <skyle@mail.state.tn.us>

From: "taylor_morris" <taylor_morris@email.msn.com>
To: <mmalone@mail.state.tn.us> , <skyle@mail.state.tn.u...>
Date: 7/8/00 4:55pm
Subject: Lynwood Rate Increase

Ladies and gentlemen,

Residents of Cottonwood have been encouraged by the Cottonwood Homeowners Association (CHOA) to contact you regarding the recent exorbitant sewer rate increase approved in May by the TRA. No encouragement is needed, only direction about with whom to voice our collective and individual displeasure and concern.

When first informed by David Terry et al, new owners of Lynwood Utility District, I could not believe that the rate increase was justifiable or fair or that it had been approved by the TRA! Was the TRA aware that Mr.. Terry misrepresented his plans to the CHOA not to raise rates or in any way adversely affect Cottonwood Homeowners by his expansion needs for Legends Ridge and River Landings? Weren't the new developments supposed to pay for required improvements to the system? Pity the day we believe a developer's claim that our interests will not be sacrificed for his profitability.

How can 300-400% increases in monthly charges at a rate 70% higher than services in the surrounding area? What is a reasonable cost of services and how does the TRA track Lynwood's financials to insure compliance with claims and projections? Were the claims even accurate? It is our understanding that Lynwood's revenue projections were grossly understated by not accounting for income generated by additional households utilizing the system.

I urge the TRA to re-examine Mr.. Terry's request and require him to replace it with a fair and equitable sewer rate based on reality. Although unable to attend the Petition for Reconsideration meeting on July 11, I await the outcome with great interest.

Sincerely,

Taylor O. Morris
400 Stable Drive

From: gary I tuberty <nancyandgarytuberty@compuserve.com>
To: "Mr. Melvin Malone" <mmalone@mail.state.tn.us>
Date: 7/8/00 6:01pm
Subject: Lynwood Utility

Dear Mr. Malone:

I am a Cottonwood homeowner of 20 years who lives directly in front of the Lynwood Utility Plant. I, of all people appreciate the improvements that have been made to the Lynwood facility. I realize that these improvements cost money and I am not against paying for the improvements that are in line with the original plant improvements. I really think that I should not have to finance the additional construction that was need to facilitate other neighborhoods.

I was told directly by Dave Terry that the financing of these additions would be paid for by hook-up fees from the new development. If this was the case, I question the need for such a large rate increase.

During the summer months, while watering my gardens, not my grass, I use much more water that never passes through the sewage plant. I realize that most sewage is based on the water usage, but most sewage treatment in our area is considerably less expensive.

I would greatly appreciate the Tennessee Regulatory Authority review this rate increase and consider a rate averaging during the summer months. Again, why should the Old Customers have to absorb costs that the New Customers caused.

Sincerely,

Nancy Tuberty
172 Cottonwood. Dr.
Franklin, TN 37069

99-00507

From: "Rick Wimberly" <rwimberly@dccusa.com>
To: <mmalone@mail.state.tn.us>, <skyle@mail.state.tn.u...>
Date: 7/10/00 11:48am
Subject: Lynnwood Sewar's Horrible Rate Increase

Certainly, prices sometimes go up...but, I don't recall ever being subjected to such a drastic and unjustified increase for any service as the increase being forced upon us by Lynnwood Utility. We strongly encourage you to reconsider the Lynnwood increase.

When new ownership purchased the Lynnwood facility and proposed to add other neighborhoods to the facility, we were ASSURED and PROMISED that we would not be subjected to a significant increase. I recall the meetings vividly. Yes, improvements were needed and, yes, we anticipated some increase...but, certainly not the 300% to 400% increase we're seeing. I, in fact, sent my first increased bill back to Lynnwood, confident they had made a mistake, and was shocked to learn that no mistake had been made.

Surely you can imagine how we feel. We still are exposed to pungent odors from the plant. (We interrupted a neighborhood dinner party Saturday night and called the natural gas company out, thinking our neighbors were experiencing a natural gas leak. When the United Cities serviceman arrived, his instruments showed the odor was methane gas...in other words, sewer gas from the Lynnwood plant). We see construction of very upscale large neighborhoods all around us which are to benefit from the Lynnwood plant in our neighborhood. And we, after being assured exactly the opposite, are paying an exorbitant price increase.

Please reconsider the rate increase. It's unfair for Cottonwood residents to pay the load of the new, very upscale neighborhoods being built. It's unfair for us to have been misled. It's unfair for our sewage rates to be tied to our water use. It's unfair for us to be paying significantly higher rates than other neighborhoods.

I apologize for not being able to attend the meeting on July 11th. If the out-of-town engagement could be changed, it would have been.

I anxiously await your decision.

Regards,

Rick Wimberly
106 Gillette Drive
Franklin, TN 37069
794-2803
791-3967

99-00507

Dear Mr. Malone,

I am writing to seek your help and the help of the TRA to stop the outrageous rate increase currently before your organization. The new rate proposed by Lynwood Utility is many times higher than any other sewer service in our area and is an increase of several hundred percent !!!!!

It is hard enough to raise a family these days - please don't allow this injustice to make it even harder to make ends meet.

Thank you for your consideration,

Rich Gootee, 1208 Gillette Ct. Franklin, TN. 37069

Get Your Private, Free E-mail from MSN Hotmail at <http://www.hotmail.com>

July 3, 2000

99-00507

REC'D TN
REGULATORY AUTH.

'00 JUL 10 PM 1 06

OFFICE OF THE
EXECUTIVE SECRETARY

K. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Pkwy
Nashville, TN 37243-0505
FAX: 741-0515

Dear Mr. Waddell,

I am writing you in response to the article in the Williamson AM this past Thursday. Needless to say I was quite surprised and as you could imagine, a little upset in the fact that I was unavailable to respond with any information. Therefore I would like to address these issues herein.

1. Tap Fees at Legends Ridge - Being a principal of both Legends Ridge and, at the time Lynnwood Utility, apparently an error was made in waiving tap fees for the first sections of Legends Ridge. We were informed that this was not an acceptable policy. I have corrected this error and Legends Ridge, LLC has come to an agreement with the present owner of Lynnwood Utility to pay these tap fees. I believe the Petition states that this issue be considered for the increase in tap fees (new construction) not for the rate increase issue.
2. Overbilling Walnut Grove Elementary School - During the 2 year ownership of Lynnwood Utility we employed the same bookkeeper, accounts receivable and CPA firm as the previous owner. We billed what the previous owner had billed and this has been confirmed by all accounting personnel. It is my understanding that the billing rate for Walnut Grove was established, when the school was first built, by a third party and all rates were approved by the then Public Service Commission. The current Petition states that under the NEW proposed rates and customer water usage there is apparently an overbilling. Is that an overbilling - or a reduction based on a NEW billing procedure.
3. All accounting and tax preparation was done by Kraft CPA. The TRA requires that all tax returns be submitted for review and possible audit. Any and all accounting is available to answer any financial questions you might have. The facility has been in an anemic financial situation for along time. All financials will verify that.

In your pursuit to look into these issues we will be very willing to assist you in any possible way we can. I would also request that you inquire with State Officials and Inspectors, the plant engineers - past and present, the consulting engineers and all accounting personnel. You will then discover that due to lack of a rate increase over the Past 18 Years the facility did not have the capital to upgrade and maintain itself properly. The only reason the facility was acquired was to correct the several compliance issues. The plant was upgraded immediately with a new clarifier and new aeration equipment so that it could then operate per State requirements.

I have also enclosed a memo dated August 24, 1998, which was sent out to all Cottonwood Homeowners, that updated the residents of the Lynnwood situation. Also be advised that we did approach the Cottonwood HOA Board at one of the monthly meetings with the proposal that they (the HOA) pursue the ownership of Lynnwood Utility prior to its acquisition by the present owner. This should be noted in the Board meeting minutes.

It's such an unfortunate and personally damaging situation that misinformation, incomplete truths and important facts have been left out and there is very little an individual can do. Even if all the facts are recognized at a later date, the personal damage can never be reversed. Therefore I hope you can be expedient in your review process and find closure with my involvement as to these issues. Everyone will agree that an increase in rate structure was needed, however, the amount is the issue for the current parties involved.

Sincerely,

David A. Terry

cc: Cottonwood Homeowners
Legends Ridge Homeowners
Bob Adgent - Williamson County Planning Director - Via FAX
Stan Tyson - Williamson County Commissioner - Via FAX
Nancy Williams - Williamson County Commissioner - Via FAX
Richard Collier - Tennessee Regulatory Authority - Via FAX
Charlie Reasor - White & Reasor, PLC - Via FAX
Nader Baydoun - Baydoun & Reese - Via FAX

enclosures: Memo dated August 24, 1998, to Cottonwood Residents

LYNNWOOD UTILITY CORPORATION

August 24, 1998

Mr. Randy Jones
Cottonwood Homeowners Association Board
170 Cottonwood Drive
Franklin, TN 37069

Dear Randy,

We have discussed the History of the Lynnwood Plant at your Board meetings on several occasions. In light of the recent articles I think it is necessary for the residents of Cottonwood to receive additional information.

History

The Lynnwood Plant was built approximately 18 years ago to service the Cottonwood development and a proposed Cottonwood II. The facility was permitted 600,000 gal/day but its design features would only accommodate approximately 127,000 gal/day. Most of the original equipment was still in place until the recent upgrade. The Lynnwood District had approved additional taps for Legends Ridge in 1995 when the project received county approval. After the first 20 taps were issued I learned that there were compliance issues and maintenance/operating issues. These issues would not only jeopardize the completion schedule of Legends Ridge but cost all users substantial improvement dollars. I could never receive an answer as to how and when these issues were going to be resolved or by whom. In June 1996 I acquired the facility to correct the issues and complete Legends Ridge. I immediately contracted our Engineers to do a Engineering Evaluation Report of the facility. We put a plan in place with the following goals in mind:

1. Bring the plant back into compliance.
This has been a 2 year project.

<u>Item</u>	<u>Time Frame</u>
Engineering Report	6 months
Construction Plans	3 months
County Approvals	3 months
State Approvals	3 months
Construction	9 months

2. Maintain the existing rate structure to Cottonwood and not have an assessment for the upgrade.

Plant upgrade can either be funded with debt (loans or bonds) or with capital from new development. With debt rates must increase. The Legends Ridge Project has been able to fund (\$400,000) the initial upgrade.

3. Assist Farmington, Meadowgreen and Hillsboro Acres in obtaining some type of sewer system.

This in itself would be a tremendous benefit to the entire Lynnwood basin. Many homes in these communities are experiencing septic tank failure and some septic fields that were built in the flood zone have tremendous sewage problems in the event of any rainfall.

We have also been working on this for the past 2 years and many residents of these communities have put in a lot of time and effort with Lynnwood to find a solution.

In a two year period we have accomplished several things:

1. The upgrades are in places that will bring the plant into compliance
2. Cottonwood rates have not increased and no assessments have been requested.
3. We now have the capital available from the River Landing Project (\$800,000) to build the necessary plant capacities required not only for River Landing but for Farmington, Meadowgreen and Hillsboro Acres. This capital will also provide additional upgrades to the Cottonwood System.

Plant Capacity

The plants present design for 200,000 gallons/day handles the following:

- 483 Cottonwood
- 1 Walnut Grove Elementary
- 150 Legends Ridge
- 62 Available for River Landing

We have requested to increase the facility to 400,000 gallons/day for the following:

- 125 Balance of River Landing
- 96 Farmington (Existing Homes)
- 223 Meadowgreen (Existing Homes)
- 143 Hillsboro Acres (Existing Homes)
- 20 Chapelwood (Existing/New Homes)
- 1 Church of Christ (Existing Church)

We could reduce this request to an additional 40,000 - 50,000 gallons/day if we were only interested in expansion for River Landing. But we now have the ability to have capacity in place, paid by new development, as we try to provide affordable service for existing homes. Secondly, the basic economics of running the Lynnwood facility requires more users.

Cottonwood

The HOA Board has been very helpful and I appreciate the support that they have given Lynnwood while these upgrades were being handled. They communicate on a regular basis and always address issues and concerns.

Next Step

We have contracted a firm to clean and televise approximately 29,000 linear feet of the sewer line in Cottonwood. This work will include jetting, root cutting, removal of debris and television inspection. This work will allow us to locate any damaged pipelines and establish a repair schedule.

The contractor does need access to the manholes in the streets so please send notice to all homeowners to be careful of men and equipment in the streets. This work will occur over the next 60 days.

In Closing

Lynnwood has been a serious problem. With the upgrades in place Lynnwood can now be an answer to other issues in the Lynnwood Basin. Those that are aware of all the issues have been very supportive and I appreciate that support.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Terry". The signature is stylized with a large, looped "D" and a cursive "Terry".

Dave Terry

Dr. & Mrs. Glenn Acree
213 Heather Drive
Franklin, TN 37069

99-00507

July 10, 2000

Mr. Melvin Malone
Chairman- Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Dear Mr. Malone,

Our family lives in the Cottonwood subdivision in Franklin, Tennessee and we are very disturbed by the recent rate increase for sewer services by Lynnwood Utility. We previously paid a flat \$17 a month for sewer services. This rate was based on the number of bedrooms in our house. We have lived in Cottonwood about three years, but understand the same flat rate has been charged since the subdivision was built. Since the rate increase in March, our sewer bills have been \$68 in April and \$55 in May. This coupled with our already high water rate amounts to a significant monthly bill for water and sewer services.

Since moving to Franklin we have always felt our water rates were high. Our water bill has averaged \$57 per month for the last 12 months. We previously lived in Winston-Salem, NC in a similar size house with the same number of bathrooms and family members. Our water and sewer bill combined averaged around \$50 **bi-monthly**. Prior to living in North Carolina, we lived in Stone Mountain, Georgia. Our house in Georgia was smaller but we still had two bathrooms and similar water usage. Our **bi-monthly** water and sewer bill ran about \$40. We did live within the city limits in both of these towns and understand that our rates were lower due to being within the city limits. However, living outside the city limits in Franklin should not result in a water bill, excluding sewer, to be double what we were paying for water and sewer combined.

Now we have the sewer rate increase by Lynnwood Utility. In May we paid a whopping \$133.84 for water and sewer services for a one-month period. In June the combined bill was \$106.83. We believe the \$5.77 rate per 1,000 gallons being charged by Lynnwood Utility is excessive. In a June 6th article in the *Williamson A.M.*, the water and sewer rates for the city of Franklin and neighboring communities were given. The sewer rate for customers living in Franklin, but outside the city limits, was \$3.872 per 1000 gallons, for 10,000 gallons usage. Inside the city limits of Franklin, the rate went down to \$2.275 per 1000 gallons, for 10,000 gallons usage. If you compare the \$3.872 rate to our \$5.77 rate, we are paying approximately \$19 more per month (at a usage of 10,000 gallons per month) or \$228 more per year.

As concerned homeowners in Cottonwood we ask that you reconsider your approval of Lynnwood Utility's requested rate increase. Our sewer bill is going from \$17 per month, or \$204 per year, to approximately \$55-\$60 per month, or \$660-\$720 per year. The additional \$400 to \$500 more per year will be difficult for our family budget and this monthly bill was not expected when we moved to this area. Thank you for your attention and review of this matter and we look forward to hearing good news after the July 11th meeting where our Petition for Reconsideration will be reviewed.

Sincerely,

Kim Acree

Glenn Acree

July 6, 2000

Mr. Melvin Malone
Chair, Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

RECEIVED
MELVIN MALONE

99-0059
JUL 10 2000
TN REGULATORY AUTHORITY

Dear Mr. Melvin Malone,

I am a Cottonwood resident and a customer of Lynwood Utility. I would like to inform you of my opposition to the recent rate hike granted to Lynwood Sewer Utility. First, it is my belief that the current owners are passing on the debt they assumed from Dave Terry to us the customers in Cottonwood via the rate increase. It is my understanding that this debt was approximately \$300,000 and resulted from the waving of tap fees to residents in Legends Ridge. Irresponsible management should not be underwritten on the financial backs of Lynwood's existing customers. This sets a bad principle of allowing business to operate without jeopardy of failure and financial loss. They should not be allowed to pass on these losses to their customers who had nothing to gain from the venture. Second, I believe the rate hikes are out of line with the current market rate for other sewer service providers in this surrounding community. Our rates at \$5.77/thousand gallons is almost double other rates. It has resulted in almost a 200% increase from our previous bill. Third, customers under the approved rate structure are being billed for gross water usage year round regardless if the waste goes through house to the sewer or the water is used for irrigation of landscaping. Why should Lynwood be allowed to collect fees on water they do not have to process through facility.

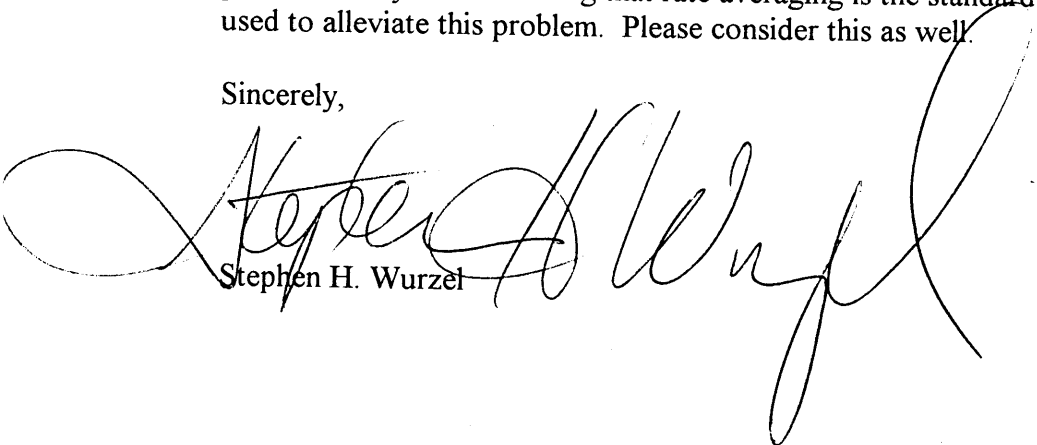
Consider this as well, according to Lynwood's own profit and loss forecast for 2000, they are meeting operating expenses with revenue. The directors should be aware that the capacity of Lynwood before the recent upgrade was around 250,000 per day. After the expansion, the new capacity is around 600,000 gallons per day. With the existing base of customers, Lynwood is only utilizing about 50% -60 % of this new capacity. Yet, they are charging their customers a rate to cover all their operating expenses and overhead as if they were operating at full capacity and their were not going to be any additional customers. When all the customers in Legends Ridge and Rivers Landings are hooked up, as in their plan, their revenues will not only exceed operating expenses but their allowed 8% return on investment. Plus, they will still be operating at around 75%-80% capacity, allowing them to seek out new customers and expand revenue

further. It is obvious that whatever new customers they add will only contribute to a gross profit far beyond what the TRA had in mind as a fair profit.

I do not understand why the TRA did not consider structuring the rates at a fee level based on real usage growth and capacity of at least 80% or more. I believe that Lynwood should project their future revenue with this growth in mind and based their fees more modestly keeping in mind the economies of scale they will gain from near or full capacity and usage.

When you next consider the Lynwood case on your agenda in July keep these facts in mind. I urge you to vote for a restructuring of Lynwood's fees or at least to put a hold on the rate increase until further consideration is given to the facts I have presented in this communication. Also, whatever rate structure we are billed under should also include consideration for the use of water for irrigation of my lawn. Lynwood should not be allowed to collect fees for any water usage they have not processed through their plant. It is my understanding that rate averaging is the standard method used to alleviate this problem. Please consider this as well.

Sincerely,



Stephen H. Wurzel

99-00507

From: <MATTCOYLE@aol.com>
To: <mmalone@mail.state.tn.us>, <skyle@mail.state.tn.u...
Date: 7/10/00 5:10pm
Subject: Lynnwood Utility excessive rates

Dear Mr. Malone, Ms. Kyle, Mr. Greer, Mr. Sargent, and Mrs. Blackburn,

We are writing to express our concerns about the skyrocketing rates for sewer access in our subdivision of Cottonwood in Franklin, TN. We have been Cottonwood residents and our sewer rates have tripled since the TRA approved Lynnwood Utilities increase. Our homeowners board was assured by the new owners, who just happen to also own 2 new luxury home subdivisions which now use Lynnwood Utility, that the expansion of the water treatment plant would not adversely affect our rates. This could not have been more false! We see a significant conflict of interest in the ownership of 2 subdivisions and the utility plant. Cottonwood, in essence, is subsidising the development of the owners' property by paying for the new subdivisions' water treatment with the astronomical increase in our rates. This new rate of \$5.77 / 1000 gallons of water used is about 70% higher than other sewer service in our area. In addition, we receive no break for any outdoor watering done, which, of course, completely bypasses the sewer! We will, due to work, be unable to attend tomorrow's meeting, but we implore you to reconsider this rate increase approval and make it equitable for the people in Cottonwood. Thank you so much for your time and consideration.

Sincerely, Matthew and Maggie Coyle, 1109 Greenleaf Way, Franklin, TN 37069.

From: "Lorry Kleinfeld" <kleinfeldl@mail.belmont.edu>
To: <mmalone@mail.state.tn.us>
Date: 7/10/00 10:11pm
Subject: Lynnwood utility increase

Dear Mr. Malone,

I am writing to express my concern regarding the rates that Lynnwood utility is charging for water/sewer service. As a resident of the Cottonwood Subdivision in Williamson County, our bill has gone from 16.50 per month to 76.00 per month. While I understand that increases in bills can be expected, our bill has more than quadrupled and evidence to justify the amount of this increase appears lacking. It is not clear to me how the previous owners of Lynnwood Utility managed the utility for 16.50 per month, while the new owners seemingly require several hundred thousand more dollars per year in revenue in order to manage the facility based on the assumption that the typical household in Cottonwood is paying 60.00 more per month or 720.00 more per year for service as we are--- 720.00 per year times the 485 homes in Cottonwood is close to 350,000.00 per year. Some time ago, Cottonwood residents were informed that we would not be adversely affected by Lynnwood's expansion plans which were needed to accommodate Legends Ridge and River Landing. Yet, the increase in our bill suggests that we have been greatly affected by some undertaking which is unknown to me at this point. Even the improvements which were needed to the sewer facility do not seem to justify the need for this astronomical increase in revenue.

I appreciate your attention to our concern,

Kirk and Lorry Kleinfeld

CC: <skle@mail.state.tn.us>, <lgreer@mail.state.tn.us>

From: Claudia Wadzinski <sold@bellsouth.net>
To: <mmalone@mail.state.tn.us>
Date: 7/11/00 11:35am
Subject: utility rate increase

Please review for fairness the circumstances of the utility increase seen by homeowners (like myself) of the Cottonwood neighborhood in Franklin, TN. Your response would be appreciated.

Sincerely,
Claudia & Brian Wadzinski
111 Riverwood Dr
Franklin, TN 37069
(615) 591-1913

From: <Dixonamy@aol.com>
To: <mmalone@mail.state.tn.us>
Date: 7/11/00 9:07am
Subject: Lynnwood Utility

Dear Mr. Malone and Ms. Kyle:

I would like to express my shock and dismay over the exorbitant rates I am being charged by Lynnwood Utility for sewer service. I am a resident of the subdivision of Cottonwood. Having lived here since 1991 with no increase in rates, I can understand a moderate increase to offset the increased cost in providing services. That, I feel, is reasonable. The enormous jump in the rate charged by Lynnwood, however, is unconscionable. I must have been "asleep at the wheel" to be unaware of any regulatory hearing on the proposed increase. By the time I was aware of it, the rate had already been approved. I felt helpless.

After reading an article in The Tennessean of June 29, I felt compelled to let my voice be heard. Please represent your constituents and fight for us. My bill for June went from \$16.25 to \$55.96. I hope you can understand my indignation at such a gouge to the public serviced by Lynnwood.

Respectfully,

Amy Dixon
140 Riverwood Drive
Franklin, TN 37069

CC: <skyle@mail.state.tn.us>

From: "Craig Kaplowitz" <craigandemily@earthlink.net>
To: <mmalone@mail.state.tn.us>
Date: 7/11/00 10:58am
Subject: Lynnwood Utility rate increase

Mr. Malone and Ms. Kyle,
My husband and I moved to Cottonwood last month, so we have just now been informed of Lynnwood Utility's rate increase for Cottonwood residents. This email is to register our concern that the developers of the new subdivisions in this area understated the revenue projections they provided to the TRA, and that our neighbors are partially subsidising the development of these neighborhoods with their higher sewer bills. It looks as if you have spent much time and energy on this issue in the past few months. Thank you very much for your attention.

Emily Kaplowitz

CC: <skyle@mail.state.tn.us>

Phillip M. Proctor
185 Cottonwood Drive
Franklin, TN 37069

99-00507

RECEIVED
MELVIN MALONE

JUL 10 2000

TN REGULATORY AUTHORITY

July 7, 2000

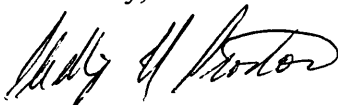
Mr. Melvin Malone
Chairman - Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Dear Mr. Malone:

I have been a resident of Cottonwood for 13 years and in that time have always had reasonable water & sewer rates. I have been to every meeting since 1996 regarding the expansion and sale of Lynnwood Utility by Dave Terry & Associates. We in Cottonwood were told our rates would not increase. This is out right **fraud**; my water/sewer bill is now 300% higher than 6 months ago. It is obvious to the residents here that Cottonwood is paying not only for the upgrade of the treatment plant, but also for its expansion for Legends Ridge and River Landing subdivisions.

I am convinced that the present owners of Lynnwood Utility will say anything to get what they want whether it be true or not to reach their goal of building more homes and making more money. This is proven by our dramatic increase in our water/sewer rates. These people must be investigated! Thank you for your attention on this matter.

Sincerely,



Phillip M. Proctor

From: <JoMart@aol.com>
To: <dwaddell@mail.state.tn.us>
Date: 5/24/00 11:25am
Subject: Lynwood Utility rate increase (docket #99-00507)

Dear Mr. Waddell,

I wrote you and the directors in early April expressing my concern about the Lynwood Utility rate increase. You were kind enough to respond and provide me information that enabled me to access the various documents on your web site regarding this case.

To the best of my ability as a lay person, I have reviewed the documents, and there is a great deal to be disturbed with in regard to the events that led to the filing by the current owners for a huge rate increase.

I do not want to go into the lengthy details at this time, but I want to address my concern with the "Order Approving Rate Increase" dated May 10, 2000 that appeared on your web site in the past few days, and which I just read this morning.

It is astounding to me that the Authority has approved Lynwood Utility's petition in light of their history of disregard for the rules and regulations of the Authority as well as the unresolved issues and information that is still outstanding.

From my reading of your own documents, Lynwood Utility failed to get the required Authority approval prior to taking out a \$305,000 loan from First Tennessee Bank and, also, prior to its change in ownership. Given the interlocking connections and self interest exhibited by the various parties involved, ie. David Terry, Legends Ridge, LLC., First Tennessee Bank, Lumbermens Investment Corporation, Smith Crowe Wilson, LLC., Southern Utility Corporation, and possibly others, I do not believe it was prudent for the Authority to act on their petition at this time.

Among the many things that are of great concern to me is the issue of David Terry's testimony before the Authority. He appears to be a central character, and Davis Lamb and Donald Scoles appear to lay much of the blame for mismanagement that led to the financial problems at Lynwood Utility on Mr. Terry. Donald Scoles, as Lynwood Utility's attorney, asked you to delay your plans to subpoena Mr. Terry until after March 27 to avoid interfering with Lynwood's negotiations with Mr. Terry. Apparently, the Authority accomodated Lynwood's request to delay; in fact, I do not see that Mr. Terry has been subpoenaed, yet.

The May 10 "Approval Order" states that "any party aggrieved with the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within fifteen days from the date of this Order." Well, I am "aggrieved" and would appreciate you advising me on the process for filing the petition.

Very truly yours,
Jacob C. (Chris) Martin

CC: <skyle@mail.state.tn.us>, <mmalone@mail.state.tn.u...

From: David Waddell
To: tn01.SMTP("JoMart@aol.com")
Date: 5/24/00 12:40pm
Subject: Lynwood Utility rate increase (docket #99-00507) -Reply

Dear Mr. Martin:

If you would like the Directors to formally reconsider their action memorialized in their order please file a written request stating the grounds for the reconsideration. Please serve the company with a copy of your request.

I will accept the e-mail dated today as a request that will toll the deadline for filing.

If you have any questions please give me a call.

thank you.

David Waddell